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Chief Executive Officer

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August 22, 2016

Board of Supervisors

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To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Sachi A. Hamai
Chief Executive Officer

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Status of County-Advocacy Legislation**
 - **County-supported AB 1887 (Low)** - related to banning State employee travel to certain states, passed the Senate Floor on August 17, 2016.
 - **County-supported AB 2010 (Ridley-Thomas)** - related to electronic candidate statements, was signed by the Governor on August 17, 2016.
 - **County-supported SB 916 (Allen)** - related to single subject teaching credentials in dance and theater, passed the Assembly Floor on August 18, 2016.
- **Budget Trailer Legislation of County Interest.** A report on the Budget Trailer Bill language for the bond financing mechanism for the No Place Like Home Program.
- **Status of Legislation of County Interest Related to Medical Marijuana.** Updates on four measures of interest to the County related to medical marijuana.

"To Enrich Lives Through Effective And Caring Service"

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Status of County-Advocacy Legislation

County-supported AB 1887 (Low), which as amended on August 15, 2016, would ban State employees from travel to states with laws that discriminate on the basis of sexual orientation, gender identity, or gender expression, passed the Senate Floor by a vote of 26 to 12 on August 17, 2016. This measure now proceeds to the Assembly for concurrence in Senate amendments.

County-supported AB 2010 (Ridley-Thomas), which as amended on May 25, 2016, would allow local election officials to accept and publish electronic statements from candidates for local, nonpartisan offices, was signed by the Governor on August 17, 2016. This measure is Chapter 128, Statutes of 2016, and it becomes effective on January 1, 2017.

County-supported SB 916 (Allen), which as amended on August 15, 2016, would require the California Commission on Teacher Credentialing to issue single subject teaching credentials in dance and theater, passed the Assembly Floor by a vote of 78 to 0 on August 18, 2016. This measure now proceeds to the Senate for concurrence in Assembly amendments.

Budget Trailer Legislation of County Interest

AB 1628 (Committee on Budget), which as amended on August 16, 2016, would establish the financing framework for the No Place Like Home Program. As previously reported, **County-supported AB 1618** (Chapter 43, Statutes of 2016) created the No Place Like Home Program to redirect a portion of Proposition 63 of 2004, Mental Health Services Act (MHSA) funds from counties to securitize \$2.0 billion in bond funding for the development of permanent supportive housing (PSH) for persons who are in need of mental health services and who are homeless, chronically homeless, or at risk of homelessness. AB 1618 bond proceeds will be distributed to counties on a competitive basis for the acquisition, design, construction, rehabilitation, or preservation of PSH. The No Place Like Home Program will be administered by the California Department of Housing and Community Development (HCD).

AB 1628 would authorize the California Health Facilities Financing Authority (CHFFA) to issue up to \$2.0 billion in taxable or tax exempt revenue bonds to fund the No Place Like Home Program. AB 1628 would cap the amount of MHSA bond funding that CHFFA can receive for PSH contracts with HCD at \$140.0 million per year.

This office is working with the Department of Mental Health, Community Development Commission, and County Counsel to determine the potential impact of AB 1628 to the County.

AB 1628 passed the Senate Floor by a vote of 37 to 0 on August 17, 2016. This measure now proceeds to the Assembly for concurrence in Senate amendments. AB 1628 would take effect immediately upon enactment.

Status of Legislation of County Interest Related to Medical Marijuana

AB 821 (Gipson), which as amended on January 13, 2016, would temporarily allow, until January 1, 2022, medical marijuana dispensaries to remit sales tax collections to the Board of Equalization (BOE) by a means other than electronic funds transfer, passed the Senate Floor by a vote of 28 to 9 on August 16, 2016. This measure now proceeds to the Governor.

In addition, there are seven other measures related to medical marijuana that are currently pending on the Senate and Assembly Floor.

The following three measures were held in committee and will not proceed this year.

AB 1575 (Bonta), which as amended on August 1, 2016, would: 1) provide various cleanup provisions to the Medical Marijuana Regulation and Safety Act enacted last year, including further clarification of the roles of various State regulatory agencies; 2) establish an advisory committee to improve the industry's ability to comply with Federal law and regulations that would allow improved access to banking services; and 3) propose statewide uniform packaging requirements for all medical marijuana products, was held in the Senate Appropriations Committee on August 11, 2016, and it will not proceed this year.

AB 2149 (Bonilla), which as amended on August 2, 2016, would authorize the BOE and counties to administer and collect cash payments for any fee, fine, penalty, tax or other charge payable by a medical marijuana business on behalf of State agencies responsible for licensing and regulating medical marijuana, was held in the Senate Appropriations Committee on August 11, 2016, and it will not proceed this year.

AB 2243 (Wood), which as amended on August 1, 2016, would: 1) impose a State tax on medical marijuana cultivation at various tax rates; 2) require the BOE to issue a permit to every retailer with the authorization to suspend or revoke the permit as appropriate; 3) establish the Cannabis Production and Environment Mitigation Fund in

Each Supervisor
August 22, 2016
Page 4

which all taxes, interest, penalties, and other amounts collected and paid to the BOE shall be deposited; and 4) prescribe an allocation methodology for the revenue collected, among other provisions, was held in the Senate Appropriations Committee on August 11, 2016, and it will not proceed this year.

The Governor has reportedly expressed his preference to wait for the outcome of the recreational marijuana ballot measure, Proposition 64, on the November 2016 ballot, before taking further action in this larger policy area.

We will continue to keep you advised.

SAH:JJ:MR:
OR:PC:IGEA:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participant